

PATENT**C. REMARKS**Status of the Claims

Claims 1-4, 7-11, 14-17, and 20 are currently present in the Application, and claims 1, 8, and 14 are independent claims. Claims 1, 2, 8, 9, 14, and 15 have been amended, and claims 5, 6, 12, 13, 18, and 19 have been cancelled. Support for the amendment of claims 1, 8, and 14 is found in Figure 14, and in Applicants' specification at page 49, line 13 through page 50, line 25. Note that claims 2, 9, and 15 have been amended to correct inadvertent, typographical errors.

Examiner Interview

Applicants wish to thank Examiner Harbeck and Examiner Sough for the courtesy extended to Applicants' attorney during a telephone interview on January 17, 2006. During the interview, Applicants' attorney noted that Applicants intended to amend independent claims 1, 8, and 14 to include limitations found in dependent claims 5 and 6, 12 and 13, and 18 and 19, respectively. Applicants' attorney discussed the Paizis reference (U.S. Patent No. 6,338,042), and, in particular, noted that Paizis did not contain any suggestion or motivation to calculate an aggregate compensation for a group of employees, or to review and revise compensation planning factors based on variances between the group's aggregate compensation and its budget. This is discussed more fully below. No agreement was reached on the claims.

Drawings

Applicants note with appreciation the Examiner's acceptance of Applicants' formal drawings, filed with the Application on June 29, 2001.

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Claim Rejections - Alleged Anticipation Under 35 U.S.C. § 102

Claims 1-4, 7-11, 14-17, and 20 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Paizis, U.S. Patent No. 6,338,042 (hereinafter Paizis). Applicants respectfully traverse the rejections under 35 U.S.C. § 102.

To anticipate a claim, the reference must teach every element of the claim (see MPEP § 2131). Note that Applicants have amended independent claim 1 to include limitations previously found in dependent claims 5 and 6. Similarly, Applicants have amended independent claim 8 to include limitations previously found in dependent claims 12 and 13, and have amended independent claim 14 to include limitations previously found in dependent claims 18 and 19. Applicants respectfully submit that the rejections under 35 U.S.C. § 102 are now moot, based on these amendments, as Paizis does not teach every element of independent claims 1, 8, and 14, as amended.

Claim Rejections - Alleged Obviousness Under 35 U.S.C. § 103

Claims 5, 6, 12, 13, 18, and 19 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Paizis. Applicants respectfully traverse the rejections under 35 U.S.C. § 103. As noted above, independent claim 1 has been amended to include limitations previously found in dependent claims 5 and 6. Similarly, independent claim 8 has been amended to include limitations previously found in dependent claims 12 and 13, and independent claim 14 has been amended to include limitations previously found in dependent claims 18 and 19. Therefore, Applicants will discuss the rejections under 35 U.S.C. § 103 as they pertain to amended, independent claims 1, 8, and 14.

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Paizis purports to teach a method and apparatus for incorporating competency and contribution measures into pay decisions (see Abstract). Applicants respectfully submit that Paizis does not teach or suggest all the elements of Applicants' independent claims. Using claim 1 as an exemplary claim, Applicants' teach and claim the following:

- receiving planning factor data from a user, the planning factor data corresponding to one or more employees and the planning factor data including compensation planning data
- storing the planning factor data in employee profile data areas, wherein each employee profile data area corresponds to one of the employees
- retrieving actual employment data for each of the employees, the actual employment data including employee contribution data and actual compensation data
- analyzing the compensation planning data corresponding to one or more employees using the contribution data corresponding to one or more employees
- selecting a group of employees
- calculating an aggregate compensation for the group
- retrieving budget data corresponding to the group
- determining a variance between the aggregate compensation and the budget data
- selecting one of the employees from the group
- revising compensation planning data corresponding to the selected employee

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- in response to revising compensation planning data corresponding to the selected employee, calculating a second aggregate compensation for the group
- determining a second variance between the second aggregate compensation and the budget data

Applicants respectfully submit that Paizis does not teach or suggest many of the key elements of Applicants' independent claims, as amended. For example, Paizis does not teach or suggest "selecting a group of employees," calculating an aggregate compensation for the group," "retrieving budget data corresponding to the group," and then "determining a variance between the aggregate compensation and the budget data," as taught and claimed by Applicants. The Examiner agrees that these elements are not disclosed by Paizis (see Office Action, page 4, line 24 through page 5, line 18), but contends that these elements would have been obvious based on Paizis. Applicants respectfully disagree. Paizis is concerned with using competency measures and levels of contribution to rank **individual employees**, and then using these rankings to determine a suggested level of compensation **for each individual employee** (col. 2, lines 45-58). Paizis is not concerned with, and indeed does not teach or suggest, determining a variance between an aggregate compensation for a group of employees and the budget data for the group, as taught and claimed by Applicants. While Paizis mentions budget data (see reference numeral 414 in Figure 4), Paizis does not teach or suggest comparing this budget data to an aggregate compensation for a group of employees.

The Examiner states that it would be obvious to group together and aggregate individual entries "for a variety of reason (sic)." The Examiner further states that it would be obvious to compare budget data corresponding to a group versus

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aggregate compensation, and goes on to discuss scenarios where this type of analysis would make sense. However, the Examiner never cites any portion of Paizis that suggests taking these actions or performing these steps.

Applicants respectfully draw the Examiner's attention to MPEP § 706.02(j), which states, *inter alia* (*emphasis added*):

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on applicant's disclosure. In re Vaeck, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). See MPEP § 2143 - § 2143.03 for decisions pertinent to each of these criteria.

Applicants respectfully submit that there is no suggestion or motivation, found in Paizis, to modify Paizis in order to allow Paizis to perform the elements claimed by Applicants. Rather, it appears that the Examiner used Applicants' claims as "guideposts" when discussing the various ways in which Paizis could be modified. There is nothing in Paizis itself that suggests such modifications, and without Applicants' claims as guideposts, Applicants respectfully submit that one skilled in the art would not be motivated to modify Paizis in the manner stated by the Examiner.

Paizis also does not teach or suggest "selecting one of the employees from the group," "revising compensation planning data corresponding to the selected employee," "in response to

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revising compensation planning data corresponding to the selected employee, calculating a second aggregate compensation for the group," and "determining a second variance between the second aggregate compensation and the budget data," as taught and claimed by Applicants in amended, independent claims 1, 8, and 14. The Examiner agrees that Paizis does not disclose these elements (see Office Action, page 5, line 19 through page 6, line 8), but once again the Examiner asserts that it would have been obvious to modify Paizis to perform these elements. The Examiner discusses hypothetical scenarios in which it would be useful to modify Paizis, but does not cite any specific portion of Paizis that suggests actually performing the elements claimed by Applicants.

While Paizis does mention modified pay (see reference numeral 548 in Figure 5C), Paizis does not teach or suggest calculating a second aggregate compensation for a group in response to revising a selected employee's compensation planning data, and then comparing the second aggregate compensation to the budget data, as taught and claimed by Applicants. Once again, Applicants respectfully submit that there is no suggestion or motivation, found in Paizis, to modify Paizis in order to allow Paizis to perform the elements claimed by Applicants. Rather, it appears that the Examiner used Applicants' claims as "guideposts" when discussing the various ways in which Paizis could be modified. There is nothing in Paizis itself that suggests such modifications, and without Applicants' claims as guideposts, Applicants respectfully submit that one skilled in the art would not be motivated to modify Paizis in the manner stated by the Examiner.

For the reasons set forth above, Applicants respectfully submit that independent claims 1, 8, and 14, and the claims

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which depend from them are patentable over Paizis, and respectfully request that they be allowed.

Conclusion

As a result of the foregoing, it is asserted by Applicants that the remaining claims in the Application are in condition for allowance, and Applicants respectfully request an early allowance of such claims.

Applicants respectfully request that the Examiner contact the Applicants' attorney listed below if the Examiner believes that such a discussion would be helpful in resolving any remaining questions or issues related to this Application.

Respectfully submitted,

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